State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

David Catanach

Division Director



Field Inspection Program "Treserving the Integrity of Our Environment"

14-Nov-17

NUROC ENERGY INCORPORATED

P.O. Box 907

Andrews TX 79714-9714

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

MCFADDE Inspection Date	N FEDERAL Type Inspection		Inspector	Violation?	A-3-19S-31E *Significant Non-Compliance?	30-015-05720-00-0 Corrective Action Due By:	O Inspection No.
11/14/2017	Routine/Periodic Violations General Housekeeping (Rule 114)		Tony Morales	Yes	No	2/17/2018	iTM1731835714
Comments	on Inspection:		nent and Location ir	1 Good Shape	. PJ STAINING A	ROUND WELLHEAD	
MCFADDEN FEDERAL No.004					A-3-19S-31E	30-015-23894-00-0	0
Inspection Date	Type Inspection	1	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/14/2017	Routine/Periodic		Tony Morales	Yes	No	2/17/2018	iTM1731836435
	Violations						
	General Houseke	eping (Rule 114)					
Comments	on Inspection:	OK. All Equips 19.15.10.8	ment and Location in	n Good Shape	. PJ STAINING AI	ROUND WELLHEAD	

MCFADDEN FEDERAL No.007

H-3-19S-31E

30-015-24585-00-00

Inspection Date

Type Inspection

Inspector

*Significant Violation? Non-Compliance?

Corrective Action Due By:

Inspection No.

11/14/2017 Routine/Periodic Tony Morales

Yes

2/17/2018

iTM1731836802

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

PJ. STAINING AROUND WELL HEAD.

MCFADDEN FEDERAL No.008

H-3-19S-31E

30-015-25445-00-00

Inspection Date

11/14/2017

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Routine/Periodic

Tony Morales

Yes

No

2/17/2018

iTM1731836980

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

PJ. STAINING AROUND WELL HEAD.

19.15.10.8

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,

Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. *Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.